



UNIVERSITY OF ICELAND

The Conservative-Liberal Tradition

From John Locke to Friedrich von Hayek

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Twenty-Four Conservative-Liberal Thinkers

Part I



New
Direction

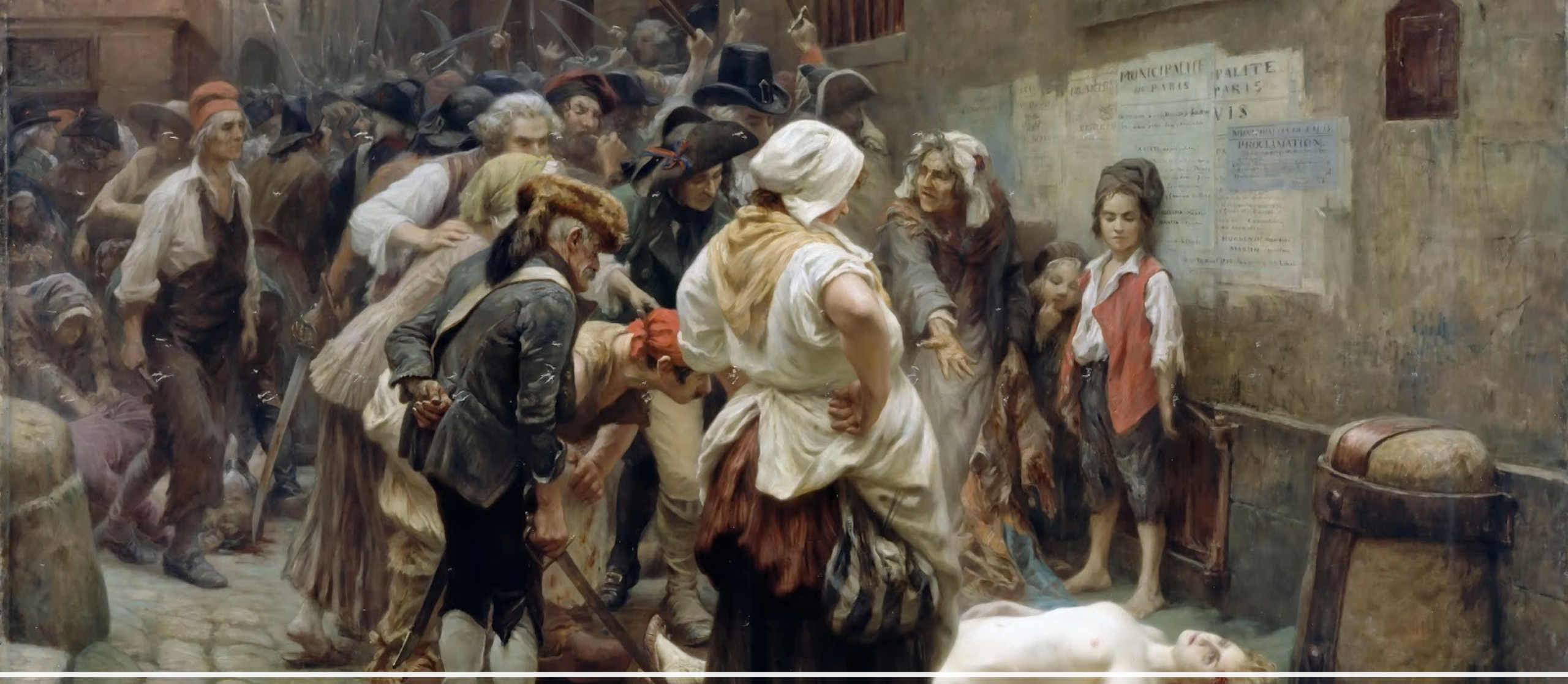
Hannes H. Gissurarson **TWENTY-FOUR CONSERVATIVE-LIBERAL THINKERS** Part I

Hannes H. Gissurarson **TWENTY-FOUR CONSERVATIVE-LIBERAL THINKERS** Part II



The Classical Thinkers: Locke, Hume, Smith

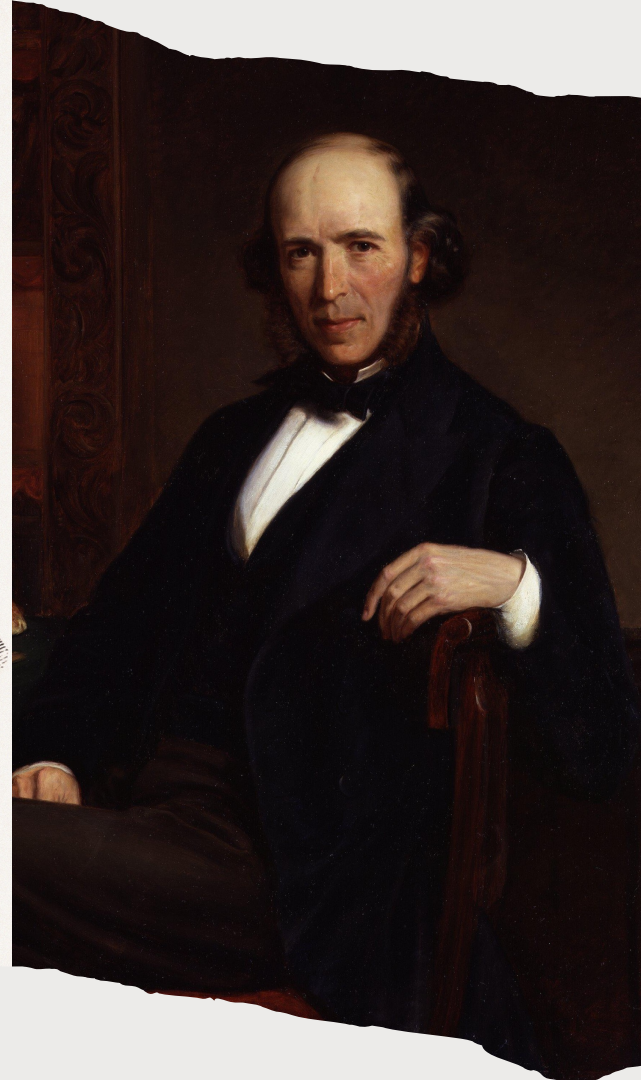
- Locke: Appropriation from commons need not harm others
- Hume: Private property and free trade responses to scarcity
- Smith: order without commands, profit without loss



Responses to the French Revolution: Burke, Constant, Tocqueville

Revolutions: Two Successes, Two Failures

- The 1688 and 1776 revolutions succeeded because they were made to preserve and extend existing liberties
- The 1789 and 1917 revolutions, made to reconstruct society, turned into disasters
- Burke: the revolutionaries over-estimated the power of individual reason and under-estimated the potential of social reason, embodied in practices and traditions
- Constant: the revolutionaries did not understand modernity, diversity, freedom of choice and of contract
- Tocqueville: the revolutionaries did not appreciate intermediate institutions, spontaneously developed



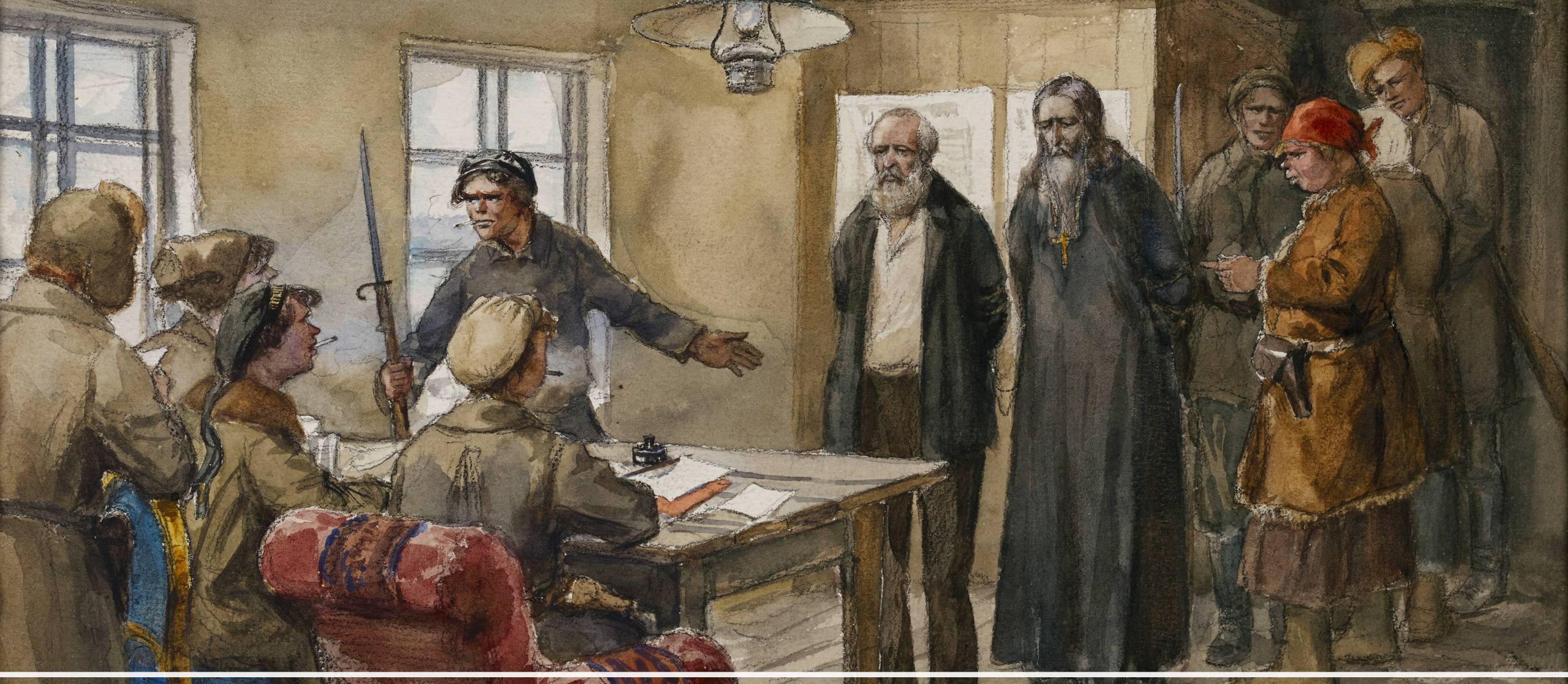
Free trade Champions: Chydenius, Bastiat, Spencer, Sumner



Austrian pioneers:
Menger and von Mises

The Economics of Freedom

- Menger refuted both Georgism and Marxism: nothing special about land or labour; value subjective, depended on demand, marginal utility
- Mises demonstrated the impossibility of socialism as the public ownership of the means of production
- Socialism as central planning had to fail; Lenin and other Marxists had no idea what to do, how to decide between alternative uses of resources and tools
- Interventionism was not a stable situation, either: one measure required another
- Hayek developed these ideas and arguments into a powerful, coherent social and political programme
- Important further contributions by the Chicago School and the Virginia School



Hayek: Socialism is 'The Road to Serfdom'



Hayek as a Conservative Liberal

- How do we accomplish so much when we know so little?
- Because we can utilise knowledge of others transmitted through the price mechanism and through traditions and practices
- Collective reason, accumulated cultural capital
- Theory of spontaneous order shows that liberty is possible and indeed inevitable
- It is desirable? Yes, if we are to survive, and indeed, flourish



'Neoliberalism' as a Political Project

- Resurrection of Germany after the War organised by neoliberals, Röpke and Erhard
- In 1980s, Hayek's and Friedman's political programme successfully implemented by Conservatives in the UK, a military junta in Chile, and social democrats in New Zealand
- Nordic countries successful despite, and not because of, social democracy; Sweden had to retreat from socialism in early 1990s
- Successful reformers: Mart Laar in Estonia, Leszek Balcerowicz in Poland, Vaclav Klaus in Czech Republic, and many others

Some Tasks Ahead

- Monetary regimes of small countries
- Friedman's comment on the euro
- Small states and globalisation
- Economic integration and political disintegration
- EU open market or closed state
- Ukraine: EEA or EU?
- Environmental problems and private property rights
- Make liberty inspiring again, an intellectual adventure, innovation and entrepreneurship, the creative powers of a free civilisation

